

SENATE BILL No. 214

DIGEST OF INTRODUCED BILL

Citations Affected: IC 5-10-18.

Synopsis: Public salary limitations. Provides that the salary paid from state or local appropriations to a public officer, employee, or contractor of the executive, legislative, or judicial branch of state government, state educational institutions, political subdivisions, or bodies corporate and politic of the state or a political subdivision may not exceed the salary paid to the governor, except that the salary of a contractor or employee of a state educational institution may be supplemented with amounts paid by or through an endowment that is not funded by taxes, fees, or appropriations of money from the treasury of the state or a political subdivision.

Effective: July 1, 2015.

Delph

January 6, 2015, read first time and referred to Committee on Tax & Fiscal Policy.



First Regular Session 119th General Assembly (2015)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2014 Regular Session and 2014 Second Regular Technical Session of the General Assembly.

SENATE BILL No. 214

A BILL FOR AN ACT to amend the Indiana Code concerning state and local administration.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. IC 5-10-18 IS ADDED TO THE INDIANA CODE AS
- 2 A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY
- 3 1, 2015]:
- 4 **Chapter 18. Limitation on Compensation of Public Officers,**
- 5 **Employees, and Contractors**
- 6 **Sec. 1. This chapter applies to the following:**
- 7 (1) The executive department of state government.
- 8 (2) The legislative department of state government.
- 9 (3) The judicial department of state government.
- 10 (4) A political subdivision.
- 11 (5) A state educational institution.
- 12 (6) A public officer.
- 13 (7) A body corporate and politic of the state created by state
- 14 statute.
- 15 (8) A body corporate and politic of a political subdivision
- 16 created by state statute or local ordinance.



(9) Any other entity of the state or a political subdivision employing individuals whose salaries are funded in whole or in part from state or local appropriations.

Sec. 2. As used in this chapter, "contractor" means an individual:

(1) who contracts to provide personal services to:

(A) the state;

(B) a political subdivision;

(C) a state educational institution;

(D) a body corporate and politic of the state or a political subdivision; or

(E) any other entity of the state or a political subdivision; and

(2) whose salary is funded in whole or in part from state or local appropriations.

Sec. 3. As used in this chapter, "employee" means an individual who receives compensation from an employer required under federal income tax law to file a Form W-2 on behalf of the individual.

Sec. 4. As used in this chapter, "endowment" refers to a trust or another permanent fund established for the benefit of a state educational institution that:

(1) is funded periodically from gifts, bequests, devises, or other sources; and

(2) does not include any of the following:

(A) Appropriations of money from the treasury of the state or a political subdivision.

(B) Taxes.

(C) Fees.

Sec. 5. As used in this chapter, "political subdivision" has the meaning set forth in IC 36-1-2-13.

Sec. 6. As used in this chapter, "public officer" means an individual elected or appointed to any office of the state or a political subdivision.

Sec. 7. As used in this chapter, "salary" means the compensation, exclusive of expense allowances, paid to a public officer, employee, or contractor for performing services for the state or a political subdivision, determined without regard to any salary reduction agreement established under Section 125 of the Internal Revenue Code, and funded in whole or in part from:

(1) appropriations of money from the treasury of the state or political subdivision;



1 (2) taxes; or

2 (3) fees.

3 **Sec. 8. As used in this chapter, "state educational institution"**
4 **has the meaning set forth in IC 21-7-13-32.**

5 **Sec. 9. (a) Except as provided in subsection (b), notwithstanding**
6 **any other law, the salary paid to a public officer, employee, or**
7 **contractor may not exceed the salary of the governor as**
8 **determined under IC 4-2-1-1.**

9 **(b) The salary of a contractor or employee of a state educational**
10 **institution may be supplemented with amounts paid by or through**
11 **an endowment.**

